

Public  
Employees'  
Retirement  
System

# PERS Plan 3 Employer Update

Local Government Employers' Edition

## Initial Transfer Window to End

The initial transfer window for Public Employees' Retirement System (PERS) Plan 2 members to transfer to PERS Plan 3 will end May 31, 2003. PERS Plan 2 members who are employees of local governments or municipalities, and who were hired before September 1, 2002, must transfer to PERS Plan 3 by this date to be eligible for the transfer payment and for retroactive gain sharing.

To qualify for the 111 percent transfer payment, Phase 2 members must have earned service credit in either June 2002 or February 2003, and delivered their Plan 3 Member Information Form (MIF) to you by May 31, 2003. The transfer payment is equal to 111 percent of the member's Plan 2 contributions and interest as of March 1, 2002. Transfer payments will be applied to member accounts in June 2003.

## Member Information Form Due Date

Based on the Department of Retirement Systems' (DRS') experience with Plan 3 implementations, employers should expect to receive the majority of Plan 3 MIFs toward the end of the initial transfer window (sometime in May). DRS would like to encourage you to be prepared for this increase and the impact it may have on your processing schedule.

## Plan 3 Member Information Form (MIF)



**Employer  
processes &  
mails to DRS**

**Members must submit the MIF to their employer. The employer processes the information and sends it to DRS via the transmittal report. Finally, employers forward the MIF to DRS.**

Please remind your employees to return their completed MIF to you. When members send their MIF to DRS, it delays the transfer process.

Members who wish to transfer to Plan 3 need to return their completed MIF to their employer by Saturday, May 31, 2003. Please remind your employees of this important date, and the process they must follow to ensure receipt of the Plan 3 MIF. The Plan 3 MIF is used by members to select their plan, rate option, investment program and transfer date. Employers should make sure that all of the appropriate sections (including section 5) are complete prior to mailing to DRS.

Employers should also recognize that May 31 falls on a Saturday. If you do not keep office hours on Saturdays, you should request that employees deliver the MIF to you by Friday, May 30, 2003.

Please contact DRS' Employer Support Services (ESS) unit at the number listed under *Resources* on page 4 if you have questions or need additional information.

## PERS Plan 3 Member Newsletter

Enclosed with this ***PERS Plan 3 Employer Update***, please find advanced copies of the fifth issue of the ***PERS Plan 3 Transfer Decision News*** member newsletter. DRS will mail this newsletter to PERS Plan 2 and Plan 3 members' homes in April 2003.

This issue of the ***PERS Plan 3 Transfer Decision News*** features articles on the PERS Plan 3 transfer seminars; what kind of benefit members receive in PERS Plan 3 vs. PERS Plan 2; frequently asked questions; and who to contact with questions.

As an employer, you are encouraged to display the enclosed newsletters in appropriate locations at your work site to provide members with additional access to PERS Plan 3 information.

## Reporting a Plan 3 Member

To report a Plan 3 member correctly to DRS, employers must make the following changes to their payroll system and include this information on the retirement transmittal report:

- change the member's plan;
- add the contribution rate and investment program selections;
- add the Plan Choice date; and
- add the Plan Choice code ("3x, 3c or 3d")

Upon receiving the Plan 3 MIF, the employer includes the information listed above on the next transmittal report based on the employer's payroll cutoff schedule.

## Ongoing Plan 2 and Plan 3 Support

Even though the initial PERS Plan 3 transfer window closes on May 31, 2003, employers will still be responsible for providing new employees (Plan 2 members as of September 1, 2002 and beyond) with the ***Plan 2 or Plan 3 New Member Plan Choice*** packet and ***New Member Plan Choice*** video. Remember, new members have only 90 days to make their plan choice, so it is imperative that Plan Choice information be provided to them immediately upon hiring.

New PERS members seeking information on seminars, videos and the financial modeling software should be directed to the PERS Plan 2 or Plan 3 Web portal at <http://www.wa.gov/drs/member/pers/2or3/>.

## January Transfer Opportunity

New employees who established membership in PERS Plan 2 prior to September 1, 2002, and who do not transfer during the initial transfer window, will have the option to transfer to Plan 3 each January. Employers should provide these employees with a copy of the **PERS Plan 2 Member Handbook** and refer them to the Plan 3 January Transfer Opportunity Web site at <http://www.wa.gov/drs/member/plan3/>.

## Transfer Decision Materials

As of June 1, 2003, employers should not distribute **PERS Plan 3 Transfer Decision** booklets and **Transfer Decision** videos. The **Transfer Decision** materials contain information about transfer payments and retroactive gain sharing, features which are not offered to members once the initial transfer window has closed. The two previous articles in this **PERS Plan 3 Employer Update**, *Ongoing Plan 2 and Plan 3 Support* and *January Transfer Opportunity*, describe which materials should be provided to PERS members beginning June 2003. Call ESS at the number listed under *Resources* on page 4 if you have questions.

## Transfer Decision Seminars

DRS still has a number of PERS Plan 2 or Plan 3 Transfer Decision seminars available for employers who would like to host a seminar for their employees. Even though you may have already hosted one or more seminars there is still time for you to host additional seminars.



The Transfer Decision seminars are sponsored by DRS and conducted by ICMA Retirement Corporation (ICMA-RC) at employer sites and regional locations throughout the state. For more information about Transfer Decision seminars, or to schedule a seminar at your location, contact Stephanie Dutton, Field Director with ICMA-RC, at 1-800-735-7202 (ext. 5990).

## Plan 3 Ongoing Seminars

Employers will be asked to host and provide support for Investment Basics and Distribution seminars even after the initial transfer window closes May 31, 2003.

- The Investment Basics seminar is a one and a half hour presentation on the basics of PERS Plan 3, fundamentals of investing and PERS Plan 3 investment options and services.
- The Distribution seminar is a one-hour presentation on PERS Plan 3 distribution options and retirement investing strategies.

These seminars are sponsored by DRS and conducted by ICMA-RC at employer sites and regional locations throughout the state. Members who need information or would like to register for either of these seminars should be directed to the Plan 2 or Plan 3 Web portal at <http://www.wa.gov/drs/member/pers/2or3/>.

## Internet Services

DRS would like to remind employers to use our Internet Services to submit Correction Transmittal Reports, to verify the status of new employees and to pay member and employer contributions. Many employers have already signed-up for these services which help ensure that DRS receives accurate and timely member information. For more information, visit the DRS Electronic Services Web site at <http://www-app3.wa.gov/drs/eservices/employer/Info/ElectServ.asp>.

## Purchasing Service Credit

Members employed by local governments must have earned service credit in June 2002, or February 2003, in order to qualify for the PERS Plan 3 transfer payment. If you have employees who did not work in those months because of an authorized leave of absence, they may be eligible to buy service credit for that time. Please refer the member to the ***Plan 2*** or ***Plan 3 Recovery of Withdrawn or Optional Service Credit*** brochure(s) available on the DRS Web site or have them contact DRS for more information. Refer to the appropriate contact number listed under *Resources* below.

## Last Issue of *PERS Plan 3 Employer Update*

We expect this issue of ***PERS Plan 3 Employer Update*** will be the last in this series of employer updates. If you have questions related to PERS Plan 3, or need additional information, contact ESS at the number listed under *Resources* below. Thank you for your ongoing support.

## Resources

**Internet Site:** Additional information will be posted to the Web site at:

<http://www.wa.gov/DRS>

**Employers:** If you have questions, contact ESS at:

**1-800-547-6657 (ext. 47200, option 2) or (360) 664-7200, option 2; or via email at [DRSEmployer@drs.wa.gov](mailto:DRSEmployer@drs.wa.gov)**

To order transfer/choice packets/videos, or handbooks, contact DRS at:

**1-800-547-6657 (ext. 47066) or (360) 664-7066; or via email at [drsforms@drs.wa.gov](mailto:drsforms@drs.wa.gov)**

To order additional investment education packets, videos and posters/flyers, contact IMCA-RC at:

**1-888-711-8773**

**1-800-547-6657 or (360) 664-7000**